

**REMARKS**

Please reconsider the application in view of the above amendments and the following remarks. Applicant thanks the Examiner for carefully considering this application.

**Disposition of Claims**

Claims 11, 13, 14, and 16-22 are currently pending in this application. Claims 11 and 14 are independent. The remaining claims depend, directly or indirectly, from claims 11 and 14.

**Rejections under 35 U.S.C. § 103**

Claims 11, 13, 14, and 16-22 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 6,973,438 (“Philyaw”). This rejection is respectfully traversed.

The present invention relates to a billing system that provides for a server and a plurality of terminals. The server sends out a service program to one of the plurality of terminals and subsequently, the terminal that receives the services program forwards the service program to the other terminals of the plurality of terminals. This allows for the terminal that initially receives the service program to “act” as the server after receiving the service program (*see* Specification, page 3).

To establish a *prima facie* case of obviousness “...the prior art reference (or references when combined) must teach or suggest all the claim limitations.” (*See* MPEP §2143.03). Further, “all words in a claim must be considered in judging the patentability of that claim against the prior art.” (*See* MPEP §2143.03). The Applicant respectfully asserts that Philyaw fail to teach or suggest all the claim limitations of amended independent claim 1.

In contrast to the claimed invention, Philyaw is directed toward a method for allowing an advertiser (via an advertising web page) to control a user's PC using a program's audio signals that are receiving on the user's television (*see* Philyaw, col. 6, ll. 4-10). Specifically, Philyaw discloses that a user PC sends a message to the ARS (advertising reference server) and the ARS performs routing functions to determine the appropriate advertising server (AS) that the user's message needs to be directed. The user's PC then reroutes the message to the AS, and provides the user with the requested advertiser product information (*see* Philyaw, col. 7, ll. 28-47).

With respect to the rejection of the claims, the claimed invention not only discloses that one of a plurality of terminals receives a service program, but also that the terminal becomes a server terminal (*i.e.*, performs the functions of the server). Philyaw fails to disclose or suggest that a terminal configured to receive a service program subsequently *becomes a server* by distributing the service program to other terminals (*see* Specification, page 2). In fact, none of the elements disclosed in Philyaw receive a service program and subsequently distribute the program to a plurality of terminals that are configured to receive the program. The ARS of Philyaw only gathers routing information and forwards the routing information back to the user PC so that the user PC can forward the advertiser product information request to the correct AS. Thus, each element disclosed in Philyaw either forwards the user advertiser product information request to an appropriate next element or receives and responding to the user advertiser product information request.

The Examiner admits that Philyaw fails to disclose or suggest a terminal. However, the Examiner takes Official Notice that user terminals receiving permitted data, such as advertisements, over a communication network is well known in the art (*see* Office Action mailed January 27, 2006, page 2). Applicant respectfully disagrees with the Examiner's assertion

and requests that the Examiner provide evidence to support this position either in the form of prior art or by providing a declaration of personal knowledge pursuant to 37 C.F.R. 1.104 (d) (2). This functionality is not obvious to those skilled in the art. Allowing a terminal to distribute the service program to other terminals allows for the service program to be distributed within smaller groups after the service program has been sent by the server. Advantageously, this provides for a method for distribution of a service program that is independent of the server, thereby allowing distribution to groups of terminals regardless of the state of the server. Furthermore, billing for services is simplified by billing to a smaller group of terminals based on which service programs each terminal received.

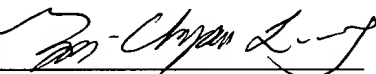
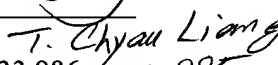
In view of the above, it is clear that Philyaw fails to render independent claims 11 and 14 of the present invention obvious. Further, dependent claims 13 and 16-22 are patentable for at least the same reasons. Accordingly, withdrawal of this rejection is respectfully requested.

**Conclusion**

Applicant believes this reply is fully responsive to all outstanding issues and places this application in condition for allowance. If this belief is incorrect, or other issues arise, the Examiner is encouraged to contact the undersigned or his associates at the telephone number listed below. Please apply any charges not covered, or any credits, to Deposit Account 50-0591 (Reference Number 04730/002001).

Dated: April 24, 2006

Respectfully submitted,

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